

**MINUTES OF THE  
WEST LAFAYETTE REDEVELOPMENT COMMISSION  
August 23, 2004**

Redevelopment Commission members present: Steve Belter, Earle Nay, Sandy Pearlman, Patsy Hoyer and Chris Corrigan. Also in attendance: Mayor Jan Mills, Clerk Treasurer Judy Rhodes, City Attorney Bob Bauman, Development Director Josh Andrew, Bev Shaw, Charlotte Martin and Cindy Loerbs-Polley of the Development Department, Parks Superintendent Joe Payne, City Engineer David Buck, Tom Gall of TJ Gall & Associates, Steve Hardesty of Hawkins Environmental, Herman Renfro and Eric Pryor of Renfro Development, City Council member Patti O'Callaghan, and citizens and members of the media.

Mr. Belter called the meeting to order at 12:37 pm. *(Directed to Ms. Loerbs-Polley)* Were all the appropriate notices posted and sent out? Ms. Loerbs-Polley answered yes they were.

**OLD BUSINESS**

Mr. Nay made a motion to approve the July 19, 2004 minutes. Ms. Pearlman seconded. The motion passed unanimously 4-0.

**NEW BUSINESS**

Mr. Nay made a motion to authorize the trustee to pay claims. Ms. Pearlman seconded. Mr. Gall gave an update on the projects in regards to these claims. The claim for Milestone Contractors is for work performed on the Friendship House Trail segment that was change ordered in December. I believe that they are going to finish up the shoulders, put in the fence, and then I think it's done. Pending approval of a change order that is later on the agenda, they will then move across the street and start the section by George Davis Manor. We've got some invoices on the Chauncey Street Project. We will be doing landscaping a little later in September. This project now has continuous conduit that runs from the alley south of the new garage up to North Street into the library and Morton Center for future fiber optic connection.

Mr. Belter asked Ms. Martin if all the appropriate approvals have been obtained on the payments. Ms. Martin answered yes. No further questions were made. The motion passed unanimously 4-0.

Mr. Nay made a motion to approve Resolution RC-2004-8. Ms. Pearlman seconded. Mr. Andrew stated that Steve Hardesty from Hawkins Environmental is here to talk about the Sagamore West Sidewalk Project for which the funds will be used. Mr. Hardesty stated that we are in the process of putting together contracts for doing sidewalk upgrades. Some of this is replacing existing sidewalks that are in poor condition and make it difficult to travel. Also, putting in curb ramps that were very old or were never put in to begin with. Other parts of it are new pieces of sidewalk to fill in the gaps along Sagamore on the south side and the north side from about Burger King back to Salisbury Street. This is the first of two projects that are planned for the Sagamore West area. We are hoping to get it constructed this fall. It's going to the Board of Works tomorrow to request permission to advertise and we are expecting to take bids in September.

Mr. Belter stated that you said this is the first of two projects. Will we have the second one this year? Mr. Hardesty stated that we won't have the second one this year. It will be for construction next year. There are right of way issues that have to be resolved with property owners and that is going to take some time. We would anticipate that happening in 2005.

Mr. Belter asked if there was a map. Mr. Hardesty displayed a map and stated that it is of the project layout with specific locations that we'll be actually working on. (*Locations were pointed out*)

Mr. Belter stated that we don't know what the cost will be until it's advertised and bid but there's hope that it will come in under \$120,000. Mr. Hardesty stated that's correct. This also includes some money to do some planning for the gateways, which is an issue that we want to try to move forward but certainly won't be doing any construction on that.

Mayor Mills stated that she wanted to give just a little update on something else going on with the Parkway. INDOT held their regional and district meetings last week in Crawfordsville. Joe Payne, Dave Buck and I went down and met with them before the meeting and talked about the Parkway and took all of our pictures, plans, and drawings. We sat down and talked with several people and they are receptive to our plans, they like what we showed them, and they will be down in two weeks to meet with us. They are going to participate with us in doing landscaping along the Parkway. We don't know, at this point what that means in how much they will participate. They are going to come here though and sit down with us and roll out our plans so they can decide what all they are going to do. We are very excited about getting some help on the landscaping from INDOT. They said that it was a great plan and that it looks like we've already put a lot of work into it and they couldn't imagine that there was an area better than West Lafayette for doing this kind of parkway enhancement.

Mr. Belter asked if Mr. Hardesty is still working on a plan for the crosswalk improvements including the countdown timers. Mr. Hardesty answered yes. We've done a recent evaluation of each of the crosswalks along US 52. I've got a draft report on my desk that will be coming forward. I'm working with the City Engineer's Office to make some of those changes both on city street intersections, and also looking at US 52 requesting INDOT to assist.

Mr. Belter asked if there were any questions from the Commission. Mr. Corrigan asked where the estimate of \$120,000 came from. Mr. Hardesty stated that we took the preliminary design that we have, took past unit prices from previous projects, and applied those to the quantities that we think are going to be included in the project. We also put in a contingency fee to handle things that are unforeseen.

Mr. Corrigan asked how much that all is because you mentioned that there are some other things in this. Mr. Hardesty stated that about \$10,000 of it is for the planning and the remainder of it is for the construction of it, the inspection on it, and the coordination of the project.

Mr. Corrigan asked if \$10,000 is for the planning of each of these. Mr. Hardesty answered no; that is for the gateway planning. It is a totally separate item.

Mr. Corrigan asked why we are putting it in with this. Shouldn't it be in separately? Mr. Hardesty stated that the intent was to be able to get something going so that we could do the planning at this time and it seemed like an opportunity since it's not a whole lot of money

requiring its own, in my opinion. Mayor Mills stated that it is the same group or project. Mr. Hardesty is doing the coordination with Mr. Collier on the gateways.

Mr. Belter stated that it is a piece of the much larger project that we've been talking about for the last several months. Are there any other questions before we go to a public hearing?

Ms. Hoyer asked Mr. Corrigan if he just wants to see it as a separate line item. Mr. Corrigan answered yes. Mr. Belter stated that just so I understand, are you talking about breaking down that \$120,000 into several lines in this resolution? Mr. Corrigan stated we're talking about (*reading from the Resolution*) construction, inspection and coordination of public improvements including sidewalks, curbs, driveways and associated work and planning for gateways on Sagamore Parkway; we are talking about more than that here. Ms. Martin stated that no the gateways is included in that description.

Mr. Belter opened the public hearing.

Ms. Rhodes stated that they are going to have to distinguish between the construction and the gateways. I don't know why they stopped presenting these resolutions being broken out. I think you're question really is how is this going to look broken out in appropriations. I think we heard that he wants \$10,000 in consulting for planning. That is one break that will have to occur off of the construction.

Ms. Martin stated that we lump it together to begin with and once we have a better idea of what that construction cost exactly is going to be, then we break it apart. Ms. Rhodes stated that legally, the board has to appropriate each of these categories.

Ms. Hoyer stated that we have to vote again once the bids are collected. Ms. Martin and Ms. Rhodes both said no you don't. Ms. Rhodes stated that since this board meets so irregularly, it would be hard to manage if you broke apart the sidewalk project, the way we would with the City (break apart the engineering, construction supervision, and the actual construction cost) it would be very cumbersome for you to do that without meeting more often.

Mr. Belter asked if there were any other questions or comments from the public. Mr. Boorman of Westminster Village stated that I just want to encourage the work on this. I got involved with this back when the Sagamore Parkway Task Force had its first meeting. I showed up to just remind everybody that we have a lot of elderly people living in the area that like to get out and walk. They would love to be able to spend more time on the Parkway, but they don't because it is not pedestrian friendly. Thank you for continuing to move this forward. This is part of the reason why Westminster is investing in the length of the West Lafayette Trail System. Please continue to move this forward.

Mr. Nay stated that Mr. Hardesty had indicated that they were going to stop the sidewalk from going any further west of Burger King because of perceived lack of pedestrian traffic. (*Directed to Mr. Boorman*) Would your residents support continuation of the sidewalk the whole length of Sagamore Parkway? I think that people don't use it very much because there is no sidewalk. Mr. Boorman stated that if there was a reason for them to go there and a sidewalk, yes I think they'd use it. I think that it will do a couple of things the more we can make that whole area pedestrian friendly. For one, it will accommodate some of the folks that live in that area. The other thing is it will put pedestrians on the Parkway, which will be one of those things that

enhance people to see this as more of a destination. I think it will have a very positive impact on visitors.

Mr. Nay stated that there are specialty shops at the bank, there further to the west, which I think would appreciate some more pedestrian access. Mr. Hardesty stated that our long range plans include that extension all the way up Yeager Road. One of the difficulties with that is getting through the area where Burger King is located because there is not much space in that area. I've got some ideas, but it's going to require some cooperation from them to do that. The project we have now is all on public right of way.

Mr. Boorman stated that part of the conclusion of the Task Force is that as one piece happens, other pieces begin to fall into place. People get encouraged and see opportunities. You are doing the right thing. You are moving forward. Take a piece and do what you can do now.

Ms. Hoyer stated that we've wanted the sidewalks. We've talked about the sidewalks. I think that the only hesitancy here was that the consulting fees were included in this. Maybe we all would have been happier if we had two pieces of paper to vote on.

Ms. Corrigan stated that hesitancy isn't the word. I didn't get to the second part of the question. We've got one piece that we are talking about here. What I really want to know is how many pieces we are doing. What is our overall plan within the next 12 to 18 months? What are we anticipating getting done on our overall plan? We are talking about spending \$110,000 on the sidewalks, then what? Are we going to come back two to three times? Do we have an overall plan stating what the next phases are? That's where I was heading with that.

Mr. Belter stated that I have two answers to your question. One, we have an overall plan and that's what Mr. Hardesty has brought to us the last two meetings. Two, the phasing of the plan, what pieces it gets broken up to, I don't think that we know that answer yet. What was picked off here, were the things that we could get done this construction season. We are still negotiating on right of way issues.

Mr. Hardesty stated to further elaborate on that, the plan will be implemented as you are able to afford it. We don't have any definite on accomplishing it all in the next twelve months. It's going to be what you can afford and what's available. We are still working on detailing some of those other aspects of the plan. As we do that, we'll be able to come forward with some of those other areas of what the phasing would be with that.

Mayor Mills stated that we are assuming that this will take at least 3 years to do everything that we will want to do if not longer than that. Again, it depends on the funding and how quickly we can afford to do the next piece. We are trying to phase it in logically and do pieces that make sense, starting in the center and working out to the west end.

Mr. Belter asked Mr. Corrigan if that answers his question. Mr. Corrigan stated that I don't necessarily like the answer that much. It seems to me that we have a wish list of things that we want to do and this is it and maybe we can't get it done. But if we're going to say within 3 years we want to get this done and here is our plan, and if there is more money maybe we can get more done, so we have some overall scheme with where we are heading. I know we had drawings out here of what was more or less a wish list, but it wasn't really a final idea.

Mayor Mills stated that we actually have phased plans that include the segments of sidewalks, the number of light poles and where, number of banner poles, landscaping in phases, and we'd be happy to bring that to you at the next meeting. We thought, right or wrong, of just showing you the phases as we were going to do it once you saw the big picture would be a good way to go. You are more than welcome to have all of that upfront. Mr. Hardesty has done a great job putting that all down on paper.

Mr. Boorman stated that in speaking for the Sagamore Parkway Task Force, I would encourage you to keep this moving forward. It is important.

Mr. Oates of Kitchen Art stated that the real key here is the momentum that has started. The Parkway has started to change and it has taken us how many years to get there. Now we need to move this thing forward. As a member of the Task Force, if we don't move this thing forward, we've basically wasted the time of a lot of individuals that put a lot of time and effort into coming up with plans. I understand that there is always funding questions. There will be funding questions until we are done with this. After it's done, we'll probably still want to do things that we didn't get funded and there will be more funding questions. We are sitting on a TIF District that has the funds available for this. It seems to me as a resident of West Lafayette, if the money is sitting in the bank account and it's a specific use area, we should start using it for that area and not just have it sitting in the bank account. Consequently, I would request that the board do move this project forward because these are things that the surveys from West Lafayette residents stated that they wanted, desired, and needed for this community. We took the advantage of looking outside of the box and really dreaming and coming up with ideas and now we've had to hand it off to you guys but we need you to also look outside of the box as to how we can get this done. It sounds to me that we are working in the right direction. We've got the start here and Mayor Mills indicates that INDOT is going to probably jump on board with this. Some of the things that are most critical are to get pedestrians out there and get them using the Parkway, then I think that all the rest would fall into place.

Mr. Belter asked if there were any other questions or comments from the public. None were made. The public hearing was closed.

Mr. Corrigan said don't misconstrue me. I'm not against what we are doing. I'm just trying to get an overall picture of where we are heading and how we are going to do it.

Mr. Bauman stated that the overall picture has been laid out by the Task Force with their priorities and some of the specifics have already been filled in by Mr. Hardesty who made a presentation of that to the Redevelopment Commission before. The engineering plans with exact specifics are still being developed and will still be under development because of issues such as what INDOT will specifically permit on some of these items in their right of way and coordinating with property owners that may need their permission or additional right of way.

Mr. Belter stated that maybe this is partly my fault because I have been pushing Mr. Hardesty, Mayor Mills, and Mr. Andrew to get a piece put together that we could construct this year. Ms. Hoyer stated that you weren't the only one pushing. Mr. Belter continued by stating that I think it's quite appropriate, from a timing stand point, once we get this done, to come back when we have more time and look at that phasing again. (*Directed to Mr. Corrigan*) Did I not state that well?

Mr. Corrigan stated that you just said something different than I heard back here (*pointing to Mayor Mills*). I heard that we already have phase 2 and phase 3 already planned and you just said that we don't have that. Mayor Mills stated that we do have those phases.

The motion to approve Resolution RC-2004-8 passed unanimously 4-0.

Mr. Belter stated that the next item of business is a change order for Cattail Trail South. Mr. Payne stated that this is the piece from Friendship House to connect with the pieces that are being built this year by Westminster. Mr. Gall stated that this is a zero dollar change to the total contract amount. There was a little over \$100,000 in the original budget for undercutting that was laid out for the work that went around the bog that wasn't nearly as severe as we had expected so it is being funded out of that. This will leave some \$46,000 in that amount which could potentially be used if and when you are ready to do that section of the Parkway.

Mr. Nay made a motion to approve the change order. Ms. Pearlman seconded. Mr. Belter asked if there are any questions.

Mr. Gall stated that I would just remind you that the change orders for this project are funded by the Redevelopment Commission. The Redevelopment Authority is the contracting member and they will be presented on Friday for their signature.

The motion passed unanimously 4-0.

Mr. Belter stated that I presume that the Tax Replacement Levy Worksheets are provided mostly for our education. We don't need to do anything? Mr. Andrew stated that is correct. Mr. Bauman stated that the council has already voted to refuse the additional levy for the replacement.

Ms. Rhodes stated that you might want to ask Umbaugh to review the calculations on the tax rate. I'm not certain that they've used the assessed valuations that they've indicated on their sheets. It's a moot point. Mr. Andrew stated that he would pass on the information to Umbaugh.

Mr. Belter stated that the next item on the agenda is discussion of appeals and bond coverage. I assume that this starts from the memorandum that you (*Mr. Andrew*) provided members of the Redevelopment Commission. Mr. Andrew stated that I think that the most important is the last sentence where it states that we do have enough coverage. We've consulted with Umbaugh and with the Assessor's Office and the Auditor's Office and they all seem to feel very confident.

Mr. Belter stated I have a question for Mr. Andrew and or Ms. Martin regarding the anticipated income for the year. There was a significant amount of money that was withheld from the first six months payment for refunds from previous years. We have hopefully paid for most of that. There may be some additional refunds but there are also some other appeals process that may actually reduce the anticipated income in addition to the refunds for previous years taxes paid; is that right? Ms. Martin stated that from 2004 there might be changes in the assessment value of pieces of property that are under appeal and that would be paid in 2005. It is hard to calculate all of that at this point until those appeals are settled. Mr. Belter stated that my reading or interpretation of this without predicting an exact amount is the receipts for the second half of this year will likely be higher than the receipts for the first half of the year. Ms. Martin

stated that hopefully they will be. We anticipate that they will be. They will not come up to the originally anticipated though.

Ms. Hoyer stated that the problem then is that 2005 is going to have a little recessed valuation to begin with and they'll be paying back or refunding some 2004 money as well in 2005 so they'll be down on two counts. Ms. Martin stated that those deadlines have pretty much been reached to make those appeals for reassessment. Ms. Hoyer stated that then for 2005 all we will be down is the assessed valuations. Ms. Martin stated as we stand right now. In some cases there will be additional things come online that will make up some of that assessment.

Ms. Hoyer asked how we get to the item of most concern then that there will be ample coverage. Mr. Bauman stated because we know that we are enough over. The difference that the appeals make won't be large enough to cause us to fall into a coverage problem. Ms. Martin stated that we can make that judgment but we can not tell you exactly.

Mr. Belter stated that I think it would be safe to say that the money that we received the first half of the year, at least for the foreseeable future, we'll be receiving at least that much again in subsequent payments. My expectation is that we continue to grow, then we are in good shape.

Ms. Martin stated that as we indicated, by year end we should know how that settles out. Mr. Belter stated that it is my recollection, historically, that the Commission has been pretty conservative about committing funds. In general, we don't spend money based on what our anticipated income is. While we will have less money to spend, I think that all the rest of our procedures, as far as looking at projects and prioritizing them, will still work well for us.

Mr. Nay asked if there is any way in the future that we can get these documents earlier before we have to make this decision on the replacement credit. Mr. Andrew stated that we tried. We pushed, and pushed, and pushed. I will continue to try.

Mr. Corrigan asked why we anticipated the large jump in the second half. If I add this up, it looks like it's a 3.6 million total. Ms. Martin stated that is what was originally anticipated.

Mr. Corrigan asked how that affects things that we have put a priority on this year. Is there anything that we can not fund now? Mr. Andrew answered no. Mr. Corrigan asked if we will be okay this year. Mr. Andrew answered yes, and probably what's coming on next year will be an improved situation.

Mr. Belter asked if there were any further questions. *(Directed towards Ms. Martin)* Does the Assessor's Office seem to be catching up with what use to be the normal schedule? Ms. Martin stated that as Ms. Rhodes indicated last year, they have to come across with the money by December 31<sup>st</sup> and they ordinarily give you the second payment in December anyway. Ms. Rhodes stated that they distribute it as close to December 31<sup>st</sup> as possible. As you know, the county is late because they had a push back on tax payment bill date for the spring payment. That is why we received the settlement later than usual. Another thing that the Commission should understand that the Council discussed briefly is that the TIF Districts now hold about 20% of A.V. *(assessed valuation)* as is held in the entire city. That is a very significant chunk of the assessed valuation of the City. That is a tremendous increase. Before the *(re)*assessment it was closer to 10%.

Mr. Belter stated that the next item of business was from Mr. Corrigan's request at the last meeting for Mr. Renfro to come and give us an update on Wabash Landing.

Mr. Renfro began by stating his appreciation and invitation to come here and giving me the opportunity. I would like to introduce everyone to Eric Pryor. He is the day to day manager in charge of Wabash Landing. He takes care of maintenance, security, landscaping, and is a relations manager. (A management report was passed out.) On the first two pages, it has a brief overview and attached to it is a timeline that traces from when we started in 1999 all the way through April 2004 when the pedestrian way was completed and construction was really out of the way for the first time and now we are very strong in leasing. I'll go through this first part, but I just want to point out the attachments. I also put a lease plan that shows who the tenants are, a very recent aerial, a brief discussion of Dennison's role in the project, which I'll talk about more, and some resumes of some leasing guys. To go back to the beginning, the first executive summary is just a description of what the shopping center is; a mixed use project with 114,000 square foot shopping center to the Hilton Garden Inn, the apartments, and the garage. It's a public/private partnership. The end mentions that we have currently 77,000 square feet leased, which is almost 68%. As for the management update, we have been working with the Downtown Business Center hosting Brown Bag Concerts all summer. Those are now completed for the summer. We have a pretty exciting event coming up on September 10<sup>th</sup> called Gallery Walk. I'll let Mr. Pryor tell you a little more about that.

Mr. Pryor stated that the Gallery Walk is to host local artists for an evening. You can walk around and look at the artists' work. What we are trying to do is make Wabash Landing a place that the community can use and also try to increase business for retailers. The Brown Bags were pretty successful. We are always looking for new ways to host community events. The Dance City will also be there with performances outside most likely in the circle in front of Scotty's.

Mr. Renfro stated that this is part of our efforts once the pedestrian way was done, to make it usable for public space and to have things going on in there and program it as frequently as we can. To give you a bit of info on the tenant sales; they are very strong. It is very positive to talk about when we are looking for new tenants to come here. Panera bread is actually one of the top stores in the state. They train all of the people here. They buy way over 200 room nights a year from the Hilton Garden Inn to bring people in to train. Goodrich started out very strong and continues to have increases every year. Last year they told me that they don't know how they can increase without adding screens because they are full on Friday and Saturday night but some how they did. The next thing I want to discuss is parking and charging for parking. Goodrich has been the most vocal critic of us doing that. They've even talked to the mayor about it. I just checked this morning and their sales for July were up 12% over last year. Apparently the dollar that we are charging for 5 hours in the evening is not keeping people from coming and watching movies. Starbucks' sales are terrific. All of the stores are doing extremely well. Borders is up 20% over last year. The Hilton Garden Inn is performing well over the projections that we had in the initial appraisal. The apartments were all leased up.

One of the reasons that I put the timeline in there is because the garage was completed in May of 2001 and we really didn't start charging till July of 2004, when it was already 3 years old. The reason for that is that there wasn't really a demand for it until the hotel, apartments, and pedestrian way was done. It didn't seem right to charge people to park in there. Several stores are validating and that seems to be working well. The store then pays for the parking. The timeline is important because of some of the issues we are trying to figure out how to solve right



now with the garage. We were informed this year by a group that did a study for the city that there were some maintenance items that needed to be done. My reaction was it's a brand new garage, why does it need anything? Well, it's not really a brand new garage. It's 3 years old and when we originally started planning this we didn't realize that there would be a 3 year gap between when you'd open the garage and start charging for parking. If you had started charging for parking from day one, part of your income would be set aside for those maintenance costs but we are just now starting to get income so now we are having to come up with a plan. Since we've just started in July, we really don't have a fix on how much we can bring in. July is a very slow month. The numbers that I have here for you is a little over \$4,000. Another thing is that when we started managing the garage, we hired Dennison to do it. They came to us pretty early on. I've known Dennison for a long time. They are probably the best parking management in Indianapolis. During the very initial stages, they advised us at no charge, with design. They said we will defer our cost of managing this until income starts coming in and get paid back for income. They managed it all through 2001 and 2002. Then in 2003 we became concerned with how large the bill was getting and how long it was going to take to pay them back and so we had a meeting with Dennison. At that time they decided that they would stop spending any of their payroll or other costs and we would take it over. That's when Mr. Pryor came on board. That's really the biggest management job you have out there in taking care of the garage. We discontinued any use from Dennison and worked out a payback plan. They were very helpful with us even though we were going through this event with them of owing them money. They gave us free consulting to set up our own management because they became concerned about it generating enough income to pay them back. I just wanted to make you aware of that situation with the garage. I'm not asking for anything from you this afternoon. We are working through this.

To get back to the leasing for a moment; with the pedestrian way done we certainly have had a lot more leasing activity. We have two deals, which is a beauty salon and an upscale Tex-Mex restaurant that are both in the final stage of the attorneys are finishing up the lease. Sometimes they still fall apart, but not very often. We have two other deals that are not at that stage yet but still at the stage of going through internal approvals. That totals out to 9,000 square feet with those two deals. Meanwhile, there are a lot of other deals that we are working on that aren't to those points yet. The last thing that I'll mention on with leasing is that my company is going through a growth right now. Lifestyle centers like this one (outdoor centers as opposed to malls) are really what's being built around the country for retail facilities these days. Most of them are a lot bigger than this one and our company is doing a very large one just west of Savanna, Georgia with a 140 acre track. Also, we are doing a project in northwest Indiana in Hammond. I've gotten another developer that is joining me. He'll be the lead guy on the Savannah project. I'll continue to do the Indiana stuff. We've signed an agreement with Max Reiswerg. He will be heading up the leasing team. I think he will be able to show Wabash Landing to a few retailers that we haven't gotten in front of yet. I think we can bring more talent to bear on this in the next few months and hopefully get this leased up. The hotel and apartments are already on permanent financing. This is the last piece to get done. I'm excited about that prospect and the growth that we are undergoing. Doing smaller projects is always more difficult because retailers want to penetrate the larger markets first.

If anyone has any questions either today or later as you look at what I gave you, please feel free to give me a call. We certainly appreciate the support that we've had from the City of West Lafayette. This has truly been a public/private partnership and we've had a tremendous amount of assistance from the city. It's been a difficult project for a lot of reasons but at the end of the day I think it's really a showcase and something that we are all proud of.

Mr. Belter asked if there were any questions for Mr. Renfro. Mr. Corrigan asked how critical is the maintenance that needs to be done on the garage. Mr. Renfro stated that it is mostly caulking in regards to the immediate things. Mr. Gall knows more of those details than I do.

Mr. Corrigan asked how critical it is that it gets done. Is it one of those things that if we let it go a year we'd be putting the garage in jeopardy or shortening its life span? Mr. Gall stated that the critical stuff involves getting protection of the main center beams in those caulk joints. Those things need to be done this fall before you get into the winter.

Mr. Corrigan asked when the game plan is to get it done. Mr. Andrew and Mr. Renfro stated that they are working on it. Mr. Corrigan said, no offense (Mr. Renfro), but when you sat here and talked about a garage, I knew that there had to be maintenance done on a garage, and you're a developer. I can't believe that you didn't know that there had to be maintenance done on the garage. We talked about it in meetings. That's a little frightening that you didn't know there had to be maintenance done in that garage. I think everyone that is on this board knew that. Here we are sitting today, and it's your responsibility, and I'm hearing that you aren't going to do it. Is that what you are trying to tell us? Mr. Renfro answered that I am telling you that the garage doesn't have enough income to do it.

Mr. Corrigan stated that it is your garage. Are you saying to us today, hey guys you better expect to pay \$50,000 because I'm not going to? That's a pretty direct question. Mr. Renfro stated that I can't tell you a solution to that because we've just started getting some income and how much we'll have in two months, I don't know.

Mr. Corrigan stated that this concerns me. I'm surprised that there isn't more concern about that among us. Ms. Pearlman stated that I'm concerned. If it's going to be a problem, what are we going to be about it? Mr. Renfro stated that I'm concerned about it too. Just because I can't tell you where the money is going to come from, doesn't mean that I'm not concerned and that we're not working on it and prioritizing those things that are the most critical.

Mr. Belter stated that I think the direct answer is that it is the developer's responsibility but the City is looking at contingency plans to make sure that the critical items on the maintenance get done this fall because it would shorten the lifetime of the garage if they didn't get done. I think that's important to make sure that they get done.

Ms. Hoyer asked what the cost of the critical items are. Mr. Gall stated that they are in the \$35,000 to \$50,000 range. Ms. Hoyer asked what "working on it" means, that the Redevelopment Commission will pay for it, is that right? Mr. Andrew stated not necessarily, we have some money set aside. Ms. Rhodes asked what money? Mr. Andrew answered Build Indiana. Ms. Rhodes said, I'll speak as the Clerk Treasurer for the City. I realize the difficulty in maintaining a property that isn't leased up. We get to a critical point here where we have to re-evaluate a partnership because this could become more of a public sponsored partnership if it can't be sustained private. Is that what we are easing into here? Do we have to take back some of the functions because you can't generate the income to maintain it. Mr. Andrew stated that we had a meeting this morning to talk about that very issue. There are a number of options that we can pursue and we are looking at that now. We do have Build Indiana money specifically allocated to Wabash Landing and it can be used on the garage. We've kept that as sort of a rainy day fund for that project.

Ms. Rhodes stated that this will fill the gap this time. Mr. Andrew stated as I've said, we are talking about it now. We've got the cards on the table now. Mr. Renfro stated that the big part of the problem, I believe, is that when we very first started working on this and Dennison was doing performance for us and showing us what kind of income the garage would generate, it looked like it would generate nice income and you would have reserves set aside. I don't know if their performance was accurate or not because we just now started charging. If they were right and during the next 12 months the garage does generate income, the problem we're dealing with is these 3 years that there hasn't been any income and there has become a need for maintenance items to be paid for and the obligation we have to pay back Dennison. We are way behind the eight ball in terms of not starting from a clean sheet. If everything was finished at the same time and we started managing on day one, your income would come in, and there is absolutely going to be income. I think this bad position we are in is largely because of the 3 year gap between the garage being done and the income coming in.

Ms. Rhodes stated that we are in a difficult budget period and I want to understand. Are there other aspects of the budget that require maintenance that there isn't sufficient revenue stream to support on the private side? Is the garage just one item that has been deferred? Are there other things that in the end we have to have a contingency for? Mr. Renfro stated that he doesn't believe so. Mr. Andrew stated that CAM (Common Area of Maintenance) covers everything else. Mr. Pryor stated that we'll have to see what happens after September when Purdue is back in session.

Ms. Hoyer stated that this is frustrating. There's almost \$127,000 debt here. Mr. Andrew stated that the \$120,000 and some is between Renfro and Dennison. We aren't involved in that. Ms. Hoyer stated that it isn't a good sign. Mr. Bauman stated that it is also a reflection of the project delay being longer than we had expected to be all put together and built.

Mr. Renfro stated that in the future, if income is being produced, it is yours. There is never a situation that it's ours. Any net income that comes in from the garage is set aside in reserves for the future. It's your garage. All we do is manage it for you.

Mr. Andrew stated that I'll give you an example; Lafayette's garage is about 7 years old and Dennison manages that for them. Lafayette is footing well over a half a million on that garage in terms of maintenance. Mr. Corrigan stated that is probably going to happen to us down the road because garages have the same deterioration rates. Mr. Andrew stated that we also have the economies of scale with Dennison coming in and working something out with them. It might be a better deal than Lafayette has.

Mr. Corrigan asked if you mean Dennison coming back to do our garage. Mr. Andrew stated that there is a possibility that they might manage it again.

Ms. Hoyer asked how that would save us money or make it better. Mr. Andrew stated that in terms of economies of scale, they are here in Lafayette and they are managing two garages already. Mr. Renfro stated that we didn't let them go because they aren't good. They are very good.

Ms. Pearlman stated that we have a problem and we'll know more later. Mr. Andrew said that is correct. Mr. Belter stated that we will know more in the next couple of months on the different aspects when we know more of what the income size will look like. From that, we

can come up with a much better idea of what our alternatives are to handling this. Certainly our long term plan is not for it to be a financial burden to either the Redevelopment Commission or the City.

Mr. Nay asked if the hotel has any kind of agreement with you (Mr. Renfro) concerning parking spots. Mr. Renfro stated that since the hotel has opened, it has contributed its share. For example, we take 104 spaces divided by 684 spaces as their share.

Mr. Nay asked where that share is going to. Mr. Renfro stated that it goes to pay to offset those costs.

Mr. Renfro stated that it is a big problem for the retail right now and moving into refinancing because if you look at 12 months trailing income for the retail, it's been carrying all of these garage costs. That runs your operational costs way high and your net income way low to where your debt coverage on a refinance won't work. Mr. Nay asked if the refinancing formula is simple enough that you can say that there is an occupancy threshold. Mr. Renfro answered yes. Generally we're a little less than 70 right now. If we get those two deals done, then we think that we'll be around 73-74. Generally you need to hit 80 and above then they will be okay with it. I think that we can get there now that the pedestrian way is open.

Mr. Belter stated that the Commission's next meeting is on Monday, September 20<sup>th</sup> at 12:30 pm. I'd like to set our October meeting. The Commission scheduled that meeting for Monday, October 25<sup>th</sup> at 12:30 pm.

Mr. Belter asked if there were any other comments or questions from the public. None were made.

Mr. Nay made a motion to adjourn. Ms. Pearlman seconded. The meeting adjourned at 2:01 pm.

Respectfully submitted,

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Francis Earle Nay, Recording Secretary

Approved:

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Stephen Belter, President

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